Public works (1926) Department

Muse SERIES.

G.O. No. 434 W

DATED 21 . 4 . 26

[Despatch Abstract.]

C.F. 22—74,737—15-2-13.

Office of the Electrical Inspector to Government.

Station P.W.D. Chepauk, M a d r a s.

Date 20th November 1925.

L. Henshaw, Esq., A.M.I.M.E., M.I.E.,
Offg. Electrical Inspector to Govt., Madras.

P.W. 7140 B
21.11.25

To

The Secretary to Government,
Public Works Department,
Fort St. George, M a d r a s.

Sir,

I am credibly informed that an application has been made to the Court for the winding up of the Bellary Electric Supply Company Limited on account of non-payment of Contractor's bills and that an order is expected to be issued shortly. As an adverse order of the Court would almost certainly result in the closing down of the scheme-- thus causing not only great inconvenience to the consumers but considerable financial loss also-- it is desirable that Government should at once decide upon the action to be taken in that event.

2. If the decision of the Court is against the licensee who thereby becomes insolvent Government may, under Part II Section 4 (1) (d) revoke the license or, under Part II Section 4 (2) permit the license to remain in force subject to further terms and conditions. The latter course is, it is submitted, undesirable since the "further terms and conditions" which it would be necessary to impose in this case would amount to complete control by Government. If the license is revoked the undertaking may be purchased

(a) by the local authority, in this case the Municipal Council. ..... Part II, Section 5 (a) (b).

(b) by any other person.....Part II, Section 5(

(c) by the Local Government.....Part II, Section 5(

or it may, under Part II Section 5(f), be abandoned.

3. In view of the unsatisfactory manner in which the ıdertaking has been operated the licensee may, it is suggeste revoked in the event of the licensee being declared insolve ıe Municipal Council then has the option of purchase and I ırongly recommend that this course be adopted provided ıvernment is of the opinion that the Municipal Council will ınage the commercial side of the undertaking in an efficient ınner. The scheme is a sound one and I am convinced that it .ll pay well under efficient administration. (Please see my ıtter No.1434 dated 3-7-1925) The financial benefits of a ıblic utility undertaking of this nature should, it is sugge ;crue to the locality generally and not to persons who may ıve no other interests in that locality and this is assumed ıly by operation of the undertaking by the local authority. ıder the circumstances the case may be treated as special ıd a loan granted G.O.No. Press 246 I. dated 14th July 1924.

4. The next course is that Government may require ıe licensee to sell the undertaking to "any other person". do not recommend this for the reason that company projects ıve, frequently in this Presidency, either failed to reach ıe license stage or have suffered withdrawal or revokation licensee or, having attained completion, are running at loss. (A note on this general question is under preparatic ıd will be submitted in a day or two).

5. In the last resort, excluding abandonment which ıould not, I suggest, be contemplated, Government may ırchase the undertaking. This is open to objection but is, suggest, preferable to purchase by "any other person".

6. The scheme is firmly established and even under ry unsatisfactory management and whilst changing the absurd low price of four annas per unit it is showing running

expenses. There are at present over 300 consumers actually connected and there are numerous applicants for supply. For the sake of "economy" in wages the plant runs only for about six hours a day whereas a continuous supply would result in a larger sale of current and consequently a reduction in the standing charges per unit sold.

7. I strongly recommend that the Municipal Council be induced to purchase the undertaking.

I have the honour to be,
S i r,
Your most obedient servant,

L. Hamilton 20/11/15

Offg. Electrical Inspector
to Government.

C.F. 32-74737—11-2

No. 625

OFFICE OF THE Electrical Inspector
to the Government of Madras,
STATION Chepauk, M a d r a s.

Date 18 March 1926.

From

L. Henshaw, Esq., A.M.I.M.E., M.I.E.,
Offg. Electrical Inspector to Government,
Chepauk, M a d r a s.

3560 B
19 MAR 1926

To

The Secretary to Government,
Public Works Department,
Fort St. George, M a d r a s.

PWS DEPT

Sir

In forwarding herewith an extract from the "Madra Mail" of the 16th instant reporting the High Court's ord for the winding up of the Bellary Electric Sup ly Compan Limited, I have the honour to invite a reference to the cor espondence ending with my Confidential U.O.No.105 da 14-12-25 and to suggest that the matter be reopened for consideration.

2. It is not known whether the scheme will continue operate during the process of winding up but I suggest t all possible steps be taken to prevent interruption of s vice. I am not conversant with the legal aspect of the commercial side of the question but I should imagine it would not be impossible for Government or the High Court to appoint an Engineer to run the scheme pending sale to any other body

3. I request that the matter may be given immediate consideration

I have the honour to be

S i r,

Your most obedient servant

L. Henshaw

Offg. Electrical Inspector
to Government.

RRR
10/3/26

Extract from the Madras Mail dated 16th March 26.

Bellary.

Electric Supply Company.

Bellary, Monday.

It was the pride of Bellary for some time that by private enterprise a Company was very successfully floated for the supply of electricity to the town, for lighting purposes. The enterprise was perhaps, the first of its kind in the mofussil, but, like many Indian concerns, want of cooperation resulted in petitions being put in for the winding up of the concern. The first was a creditor's petition by the General Electric Co. of Madras. This was contested by Mr. S.M. Hussain, the Managing Director, and on the Court's order a sum of Rs.25,000 raised on the assets of the Company was deposited. This was followed by petitions by some of the Directors themselves, demanding their dues from the Company. The result has been that the High Court has found it necessary to wind up the Company and Mr. T. Raghavachari, High Court Vakil, of Bellary, has been appointed Official Liquidator.

Very V. V

Memo N° 7140 B/25-8
2013/26

O.P. Nos 14/19 of 1926.

It is understood that in O.P. Nos 14/19 of 1926 the High Court have passed an order directing that the Bellary Electric Supply Co. Ltd be wound up and appointing an Official Liquidator for the purpose. The Govt. Solicitor has been asked separately by telephone to obtain a copy of the High Court's order. The Govt. desire that, if possible the Bellary Municipal Council shall purchase the undertaking and work it. The attention of the Govt. Solicitor is invited to the provisions of Sections 4 (1) (d) and 5 of the Indian Electricity Act 1910, and he is requested to advise what action should be taken by Govt. to that the concern may be kept working by the Liquidator or preferably by an Engineer to be appointed by the Court — until the question of its purchase by the

Municipality is decidedly
20/3/16
20/3

20.3.16 Secy

To.
The Joint Secretary
to Government

DEPARTMENT.

3683 B

eceived *Registered*

rom (Name) C. Moresby,

(Designation) Government Solicitor,

Post Box....., (Station) Madras.

Telegraphic Address.....

To The Secretary to Government,

Public Works Department.

No. 580, *dated* 20th March 1926.

Sir,

No.7140 B/25-6 dated 20-3-26

With reference to your telephonic message of date an order for winding up the Bellary Electric Supply Co Ltd: was passed by the High Court on 10-3-26 and Mr. T. Raghavachari Vakil of Bellary was appointed Liquidator thereof - Notice of the said order has been directed to be advertised

in one issue of the Fort St: George Gazette the Hindu and the Andra Patrika.

The order has not yet issued from Court and I shall send you copy thereof as soon as possible.

I have &c.,

Government Solicitor

Lo. file 1.4.26. ~~10.4.26~~.

an
22/3/26

Alls
22/3

AS

In the meanwhile ... from Edinburgh will be received ... ya reply to the letter ... 26-3-26 ...

987
8696.

Memo. 8696-1 C. Copy 9 24.3.24

Electric supply - Bellary

The Govt. understand that an application has been made to the High Court to wind up the Bellary Electric Supply Co. Ltd. ~~on account of non-payment of contractors' bills and that an order is expected to be issued shortly. In case an adverse order is passed by the Court the scheme will have to be abandoned. As such a course~~ and will cause great inconvenience to the public. The Bellary M.C. is requested to consider whether it would be prepared ~~is willing~~ to purchase the installation. ~~Sec. 5(2)(b) of Part II of the Indian Electricity Act.~~

If the Company is wound up the town will lose the benefit of Electricity

may be caused therefore

2. The ~~purchase~~ sale price of the installation is roughly estimated at Rs 1½ lakhs ~~the capital cost of substituting electricity for oil lamps & burning the scheme upto standard at Rs 50000. It~~ though it is possible that the Council may be

We to secure the plant at a lower force and may ~~thus the Council can negotiate directly in the matter~~

The conversion of oil lamps to electric lights and the cost of bringing the scheme up to the Standard will require another Rs 5000

3. The present rate for the supply of electricity, viz., 8 annas seems per unit is very low. At 8 annas per unit, which is adopted the price in the Madras City & the price proposed ~~initially~~ in the case of Cocanada, Bezwada & Hindupur the scheme is estimated to pay immediately. It is reported that there are at present about 300 consumers who are given a supply for only a few hours daily & that the monthly sales amount to about 4000 units. On the introduction of a continuous supply ~~it is hoped that on a population basis~~ the consumption may exceed not be less than 7000 units per month. The Council can thus make an annual net profit of not less than Rs 6915 as shown in the margin.

4. On the above terms the Govt. consider that the Council would be well advised ~~to well~~ to take over the installation. If necessary the Chairman may call for a meeting of the consumers & take their opinion as to whether.

Estimated expenditure

Capital cost.

	Rs.
Purchase of plant.	150,000
Substitution of Electric posts &c for oil lamps	50000
	200 000

Working expenses.

Depreciation at 4 p.c.	6000
Fuel & station stores.	5000
Repairs at 2 p.c.	4000
Establishment.	10 500
Annuity for repayment of loan of Rs 2 lakhs in 20 years at $5\frac{3}{4}$ p.c.	17085
	42585

Estimated revenue.

Cost of 84 000 units at 8 As per unit.	42000
Hire of 300 meters.	1800
	43800
Profit or loss.	1215
Savings on present street lighting.	5700
Net profit	6915

~~If depreciation is not allowed Rs 12915~~

they will pay As 8 till the rate can be reduced ~~further~~ or whether they would prefer the scheme to be abandoned.

The Chairman is requested report if the Council is willing to purchase the undertaking & to take a loan to meet the capital cost. It is too late now to make the necessary provision for the loan in the C.B.E. for 1926-27 but it should be possible for the Council to raise the necessary amount on loan ~~to get it~~ from ~~some~~ the Bombay

The reply to this reference should be submitted so as to reach the Govt. before the ~~30th April 1926~~ ~~30 January 1926~~.

Gov.
31/12

17 MAR
4 12 6

25.3.26

C. Bellar
(memo nl

DEPT. OF REVENUE
24MAR1926

Cutting from the Hindu
dy 15. 2. 26

LEGAL NOTICE.

In the High Court of Judicature at Madras.

(Original Petition No. 19 of 1926.)

In the matter of the Indian Companies Act VII of 1913.

AND

In the matter of the Bellary Electric Supply Co., Ltd.

1. K. Akkappa Rao,
2. Jaday Siddalingappa,
3. G. Seetharama Chetty,
4. G. Ramachandra Chetty,
5. K. S. N. Katteappa Rao,
6. J. Sanna Rachappa,
7. K. Rangappa .. Petitioners.

NOTICE is hereby given that a Petition for the winding up of the above-named Company by the High Court of Judicature at Madras, was on the 27th day of January 1926, presented to the High Court of Judicature at Madras by the said K. Akkappa Rao, Jaday Siddalingappa, G. Seetharama Chetty, G. Ramachandra Chetty, K. S. N. Katteappa Rao, J. Sanna Rachappa, and K. Rangappa, creditors of the said Company. And that the said Petition is directed to be heard on Tuesday, the 9th day of March 1926; and any creditor or contributory of the said Company desirous to oppose the making of an order for the winding up of the said Company under the above Act, should appear at the time of hearing by himself or his Counsel or Vakil for that purpose; and a copy of the Petition will be furnished to any creditor or contributory of the said Company requiring the same, by the undersigned, on payment of the regulated charge for the same.

Dated this 15th day of February 1926.

KING & PARTRIDGE,
Attorneys for the Petitioners.

301

In the High Court of Judicature at Madras.

(Original Petition No. 1 of 1926.)

In the matter of the Indian Companies Act VII of 1913.

AND

In the matter of the Bellary Electric Supply Co., Ltd.

Rao Bahadur G. Seetharama Chetty .. Petitioner.

NOTICE is hereby given that a Petition for the winding up of the above-named Company by the High Court of Judicature at Madras, was on the 5th day of January 1926, presented to the High Court of Judicature at Madras by the said Rao Bahadur G. Seetharama Chetty, a creditor of the said Company. And that the said Petition is directed to be heard on Tuesday, the 9th day of March 1926, and any creditor or contributory of the said Company desirous to oppose the making of an order for the winding up of the said Company under the above Act, should appear at the time of hearing by himself or his Counsel or Vakil for that purpose; and a copy of the Petition will be furnished to any creditor or contributory of the said Company requiring the same, by the undersigned, on payment of the regulated charge for the same.

Dated this 15th day of February 1926.

KING & PARTRIDGE,
Attorneys for the Petitioner.

302

Urgent. DEPARTMENT.

Received *Registered*

From (Name) C. Moresby,

(Designation) Government Solicitor,

Post Box , (Station) Madras.

Telegraphic Address

To The Second Secretary to Government,

Public Works Department,

Madras.

No. 643 *dated* 25th March 1926.

Sir,

* O. P. Nos. 1 & 19 of 1926.

With reference to your Memorandum No.7140 B/25-8 of the 20th instant unfortunately I am unable to obtain a copy of or to see the order passed by the High Court as the same has not yet been issued.

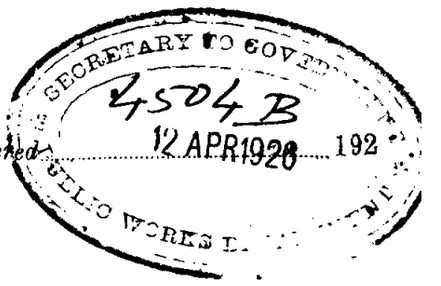
2. I note the provisions of the Indian Electricity Act to which my attention has been invited and I do not think they apply to the present case as the Company has already been ordered to be wound up. I think that the action now to be taken is for an offer to be made -- immediately to the Liquidator for the purchase of the undertaking and he should be asked to obtain the consent of the Court thereto forthwith and for permission for the undertaking to be carried on by the purchaser.

3. It may be that there will be some delay in arriving at the price and it would therefore perhaps be as well for the Liquidator to ask leave to carry on the undertaking and employ the necessary Engineer to do the same, the costs of the same to be paid out of the purchase price, but this is a matter which the Court would doubtless settle. The Liquidator would have the benefit of the proceeds of the working during the liquidation and the costs should be paid out of same.

I have the honor to be,
Sir,
Your obedient servant,

Government Solicitor.

DEPARTMENT.



Received ..... 192 . *Registered* 12 APR 1926 192

forwarded to P.W.D. s/o 86 Clk 6 C1 12/4/26

Subject.

Regarding the purchase of the Bellary Electric Installation by the Bellary Municipality.

ENCLOSURES.
No. one
Spare copies .....

RyScR No. 71 10-4-26

Station Bellary., *Dated the* 8th April 192 6.

M.R.Ry,

From (Name) N. Narayana Rao Garu, B.A., B.L., F.M.U.,

(Designation) Chairman, Municipal Council.

To The Secretary to the Government of Madras,

Local Self Government Department.

Madras.

Sir,

I have the honour to report that the G.O.No.8696-1 c (L & M)., dated 14-3-26 relating to the Electric Supply was received by me on the 24th ultimo, and was placed before the Council for its consideration of the questions raised therein. The Council met on the 31st ultimo, and discussed the questions and has passed the resolutions, copies of which are sent herewith. 10 12

2. The Council cannot but be too grateful to the Government for the issue of G.O., referred to. It has obviated many a step which I and my Council should have been obliged to adopt before obtaining such ready and willing offer to help us as is conveyed in the G.O. I have been long in consultation over this subject with the Collector,

Inspector of Municipal Councils and other special officers who went over here, and have had encouraging replies from them, and I have been strongly of opinion that the Electric Company should have been owned by the Council alone in preference to any other and that it should have had the supply of Electricity of its own. I gladly note that the Council has been trying to recover lost ground, and the first step in the right direction has been taken by the Council in -- having resolved to purchase the installation.

3. I shall very soon convene a meeting of the consumers obtain their opinions and communicate the same to the Government.

4. I have further to request the Government to arrange for a loan from any body - be it with itself or any District Board - and to have all the necessary preliminaries regarding the grant of the loan settled and to have everything ready and complete, by the time the sale of the concern is ordered by the High Court.

5. The G.O., does not seem to have been issued on actual figures obtained from the Company's balance sheet etc., but seems to be a rough estimate based on probable figures. The present rate per unit is Rs.0-5-0 and I learn that the Company can be run profitably with that rate. The rate of Rs.0-8-0 per unit suggested by the Government seems to be ~~very~~ very high and after all the facts and figures are considered the Government will surely conclude that such a high rate is not necessary. Further at present about 6500 units of energy are sold, and I am sure the sales will go up to 12,000 units or more per month if the concern is given a stable basis and steady working.

I have the honour to be,
Sir,
Your most obedient servant,

Narayana Rao

Chairman, M.C.

9/4.

Copy to:

The Hon'ble Chief Minister
The Hon'ble Law Member.

EXTRACT FROM PROCEEDINGS OF THE MUNICIPAL COUNCIL, BELLARY.

Dated 31st March 1926.

Read:-

15. Government Memo No. 8696-10., I&M., dated 14-3-26 requesting the Bellary Municipal Council to report whether they are prepared to purchase the Electric installation from the Bellary Electric Supply Company in case the Company is wound up.

Resolution:-

The Council respectfully thanks the Government for the initiative taken by it in the matter of the purchase of the Electric installation by the Municipal - - Council and for having communicated to the Council the G.O. referred to.

Passed unanimously.

2. The Council cheerfully undertakes to purchase the Electric installation at a reasonable price to be fixed later on by the Council.

Passed unanimously.

3. The Council resolves to ~~supply~~ apply to the Government for a loan of the necessary sale money.

Passed unanimously.

4. The Council reserves to itself the rate per unit to be fixed at a subsequent time after obtaining all the details regarding the working of the scheme.

Passed unanimously.

5. The Chairman will report with regard to the other matters mentioned in the G.O. referred to.

(sd) N. Narayana Rao,
Chairman, M.C.

(True Extract)

Narayana Rao
Vice-Chairman.
9.4.26

In reply, please quote number, date and short title.*

4805 B

Received ..... *Registered* 926

From (Name) C. Moresby

(Designation) Government Solicitor

Post Box ....., (Station) Madras.

Telegraphic Address .....

To The Second Secretary to Government

P. W. D

Madras.

No. 819 *dated* 192

Sir,

O. P. Nos. 1 and 19 of 1926

With further reference to Memorandum No. 7140 B/25 dated the 20th ultimo and in continuation of my letter No. 643 dated the 25th ultimo I have the honour to forward herewith a copy of the winding up order passed by the High Court on 10-3-1926.

I have the honour to be

Sir,

Your obedient servant.

Government Solicitor.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Ordinary Original Civil Jurisdiction

Wednesday the 10th day of March 1926

The Honourable Mr. Justice Srinivasa Iyengar

In Chambers.

George V, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of all the British - - Dominions beyond the Seas, King --- Defender of the Faith, Emperor of India.

O. P. No. 1 & 19 of 1926.

In the Matter of the Indian Companies Act VII of 1913

And

In the Matter of the Bellary Electric Supply Co. Ltd

Rao Bahadur G.Seetharama Chetty .. Petitioner in O.P. No. 1 of 1926.

And

1. K.Akkappa Rao)
2. Jaday Siddalingappa)
3. C.Sitarama Chetty)
4. C.Ramachandra Chetty) .. Petitioners in
5. K.S.N.Kateeappa Rao) O.P. No. 19 of '26
6. J.Sanna Rachappa)
7. K. Rangappa)

These two petitions for the winding up of the abovenamed Company coming on by adjournments this day before this Court for further hearing in the presence of Mr. W. Grant counsel instructed by Messrs. King and Partridge Attorneys for the Petitioners in the said two petitions respectively, of Mr.O. Thanikachalam Chettiar instructed by Mr.P.Jagannadha Rao Naidu Attorney for the Managing Director of the Company abovenamed and for the Provisional Official Liquidator appointed herein, of Mr. S. Duraiswami Iyer Counsel, instructed by P.Jagannatha Rao Naidu, Attorney for some of the share holders of the said Company of Mr. Mockett, Counsel instructed by Messrs.Short Bewes & Co. Attorneys for K.Rangappa J. Siddalingappa K.Akkappa

Rao P.L.Netto J.Sanna Rachappa and K.S.N.Katteappa Rao the six of th Directors of the Company of Mr.V.C.Gopalarathnam Vakil for Subba Red a director of the said Company and of Mr. T.G.Raghavachariar, Vakil for Ahmed & Co. Bombay one of the creditors of the saia Company and upon reading the Petitions Nos.1 and 19 of 1926 filed herein on the ' and the 28th days of January 1926 respectively, the Counter affidavit of S.M.Hussain, the Managing Director of the abovenamed Company ---- solemnly affirmed ana filed on the 27th day of January 1926, the rep affidavit of Rao Bahadur G.Seetharama Chetty a Director of the above named Company solemnly affirmed on the 6th and filed on the 10th day of February 1926, the counter-affidavit of S.M.Hussain the said - - Managing Director solemnly affirmed and filed on the 9th day of Marc 1926, the affidavit of P.Haridos Naidu, the shareholder in the said Company solemnly affirmed and filed on the 9th day of March 1926, the Orders made herein ana dated respectively the 27th day of January th 12th and the 19th days of February 1926 and all parties including th Managing Director agreeing that Mr.T.Raghavacharlu, High Court Vakil at Bellary may be appointed as Official Liquidator it is Ordered as follows:-

1. That the Bellary Electric Supply Co.Ltd be wouna up by thi Court under the provisions of the Indian Companies Act VII of 1913 a that notice of this Order for the winding up of the said Company be advertised within twelve days from this date once in the Fort St. George Gazette, once in the "Hindu" and once in the "Andhra Patrika" and that a similar notice be served at the Registered office of the said Company on the Manager and Directors thereof as prescribed in Form 13 and by Rule 32 of the Rules made by this Court under the said Act:

2. That Mr. T. Raghavacharlu High Court Vakil practising at Bellary be and he is hereby appointed the Official Liquidator for the purpose of conducting the proceedings in the winding up of the said Company and performing such duties in reference thereto as this Hon'ble Court and that he do in respect of his appointment as such Liquidator furnish security in his own bond to the Hon'ble The Chief Justice of this Court in the sum of Rupees Twenty five thousand -

(Rs.25,000/-) only and that notice of the said appointment of the said Official Liquidator be advertised once in the Fort St. George Gazette, once in the "Hindu" and once in the Andhra - Patrika" and a similar notice be served at the Registered -- Office of the said Company on the Manager and Directors thereof as prescribed in Form No.23 and by Rule 40 of the said Rules;

3. That the said Official Liquidator shall have power to do the following things:-

(a) to institute or defend any suit or prosecution or other legal proceedings, Civil or Criminal in the name and on behalf of the said Company.

(b) to carry on the business of the Company so far as may be necessary for the beneficial winding up of the same;

(c) to sell the immoveable and moveable properties of the Company by public auction or private contract with power to - transfer the whole thereof to any person or Company or to sell the same in parcels;

(d) to do all acts and to execute in the name and on - behalf of the Company, all deeds, receipts and other documents and for that purpose to use when necessary the Company's seal;

(e) to prove rank and claim in the insolvency of any contributory for any balance against his estate and to receive dividends in the insolvency in respect of that balance as a separate debt due from the insolvent and rateably with the other separate creditors;

(f) to draw, accept, make and indorse any bill of - exchange, Hundi or Promissory note in the name and on behalf of the Company with the same effect with respect to the - - liability of the Company as if the bill, hundi or note had been drawn, accepted made or endorsed by or on behalf of the Company in the course of its business.

(g) to raise on the security of the assets of the Company any money requisite;

(h) to take out in his Official name Letter of Administration to any deceased contributory and to do in his Official name any other act necessary for obtaining payment of any money due from a contributory or his estate which cannot be conveniently done in the name of the Company and in all such cases the money due shall for the purpose of enabling the Liquidator to take out Letters of Administration or recover the money be deemed to be due to the Liquidator himself, - - provided that nothing herein empowered shall be deemed to effect the rights duties and privileges of any Administrator-General.

(i) to do all such other things as may be necessary for winding up the affairs of the Company and distributing its assets;

4. That the said Official Liquidator shall subject to retention in his hands of such sum as may be required for current and necessary expenses deposit the moneys collected by him into the Imperial Bank of India (Madras) or the nearest branch thereof at the principal - place of business of the said Company immediately or within seven days from the receipt thereof to the credit of an account to be opened by him and entitled "The account of the Official Liquidator in the matter of the Bellary Electric Supply Co.Ltd in Liquidation" and shall lodge a copy of this Order at the said Imperial Bank of India (Madras);

5. That the said Official Liquidator do file in Court his accounts once in every three months, the first of such account to be filed in or before the 25th day of May 1926;

6. That the said Official Liquidator shall be entitled to a remuneration as provided for in Rule 45, of the Rules framed by the High Court, Madras under the Indian Companies Act VII of 1913;

7. That the remuneration of Mr.P.Siva Rao the Provisional Official Liquidator herein be and it is hereby fixed at the sum of Rupees Five hundred (Rs.500/-) only and that as soon as the said Mr.P.Siva Rao passes his accounts before the proper Officer of this Court and gets his discharge the Official Liquidator appointed - herein do pay to him the said sum of Rupees Five hundred (Rs.500/-) and that in passing the accounts aforesaid allowance shall be - - made to him for applications made by him to this Court and a - - - reasonable fee for the appearance of legal practitioners on his behalf;

8. That the costs of these petitions ofRao Bahadur G. - Seetharama Chetty and K.Akkappa Rao Jaday Siddalingappa G. - - Seetharama Chetty G.R Rachanara Chetty K.S.N.Katteappa Rao J. Sanna Rachappa and K.Rangappa, the petitioners respectively in O.P.Nos.1 and 19 of 1926 of K.Rangappa J.Siddalingappa K. Akkappa Rao P.L.Netto J.Sanna Rachappa and K.S.N.Katteappa Rao the - - directors of the said company and of Subba Reddy another director of the said company when respectively taxed and noted in the - margin hereof be paid to them by the Official Liquidator from and out of the funds of the said company with interest thereon at the rate of <u>six per cent per annum</u> from the date of taxation to the date of payment; and

9. That in taxing the said costs of K.Rangappa J.Siddalin. gappa K.Akkappa Rao P.L.Netto, J.Sanna Rachappa and K. S. N. - - Katteappa Rao, the directors of the said Company the taxing -- - officer of this Court do allow their costs reserved under the said order of the 19th day of February 1926.

Witness the Honourable Sir Murray Coutts Trotter Kt., Chief Justice at Madras aforesaid this 10th day of March 1926.

By the Court

Sd/- V. Venkataramana Iyer

2nd Asst. Registrar.

Certified to be a true copy

dated this 31st day of March 1926.

HIGH COURT

MADRAS.

O. P. NO. 1 & 19 of 1926

In the Matter of the Indian Companies

Act VII of 1913
And
In the matter of the Bellary Electric
Supply Co.Ltd

Rao Bahadur G.Seetharam

Chetty. Petitioner in
O. P.No 1 of 1926

And

1.K.Akkappa Rao)
2.Jaday Siddalingappa)
3.C.Sitarama Chetty)
4.C.Ramachandra Chetty
5.K.S.N.Katteappa Rao) Petitioners in
6.J.Sanna Rachappa)
7.K.Rangappa) O.P.No.19 of 26

ORDER D/ 10- 3- 1926.

P. W. D.

C.No.7140 B. From the Electrical Inspector to Govt.

No.101 (confdl.), d/ 20-11-25.

Subject:- Bellary Electric License/Portable winding of the Tain

Let this go to L.S.G. for remarks pending receipt of further report about insolvency.

35721

F.B.E.
21-11-25.

G.W.No. 7140 B-1
21-11-25

Ld

R D 3 weeks

R
21/11

L.S.G. u.o.

Rly Rm

The Scheme was estimated to cost 1½ to 2 lakhs. - vide p. 14 of G.O. 815 M. dt 16-8-23. To examine the ability of the Bellary M.C. to finance the scheme, ~~xxxxxxxxxxxxxxxx~~ the following particulars are necessary:

1) the recurring cost of working the Scheme

2) the savings that are likely to be effected

(a) under street lighting, and

(b) by working the water wor te with electricity,

3) the income anticipated by the supply of current or energy to private consumers &c

The Electrical Inspector has not furnished any data to show whether the scheme will work at a profit. P.W.D may be asked to obtain the necessary particulars from him.

Cor.
25/11

25/11

We want roughly the cost of working the undertaking, the no. of units consumed & price paid per unit, & the capital cost.

Rly
Pwd

Current supplied to the Mysore Steel Works

Etc. will ~~not come in~~ come in on

both sides of the account.

The saving to the Corpn by employing the current & the C[hief] E[ngineer]'s ability to carry

on & run the undertaking will be examined

on information to be obtained by L.S.G.

from the Mysl. Cl.

J.T.

Sgd/-

Sgd/-

PWD

L.S.G. No 3522-Pdy

26.11.25

Secy

The Electrical Inspector might be

requested kindly to furnish the information

required at Mon point.

Sgd/- Allen 1/12

1.12.25

SECRETARY TO G[OVT]
7350 B
30 NOV 1925
PUBLIC WORKS D[EPT]

T.B.I. Insp. No.

PW Dno 7140 B-2

1.12.25

RD. 2 months

Office of the Electrical Inspector
to the Government of Madras,
Fort House, Madras.

14th December 1925.

The Sanitary Engineer to Government reports that the Bellary Water Works plant has already arrived in India and hence this application of electricity need not be considered.

2. At Bezwada it is estimated that the savings on maintenance of street lights by the use of electricity will be Rs. 13,140. At Bellary the figure may be 80% of this, i.e. Rs.10,512. The additional capital cost on account of conversion from oil to electricity should not exceed Rs.25,000. Taking 10% for interest and depreciation --i.e. Rs.2500/-- the net saving is Rs.8000 per annum.

3. At the present absurdly low charge of Rs.4 per unit the scheme cannot pay. At annas 6 it will pay immediately provided the savings on street-lighting are taken into account. At annas 8 it will pay immediately on its own merits and as this is the price per unit for lighting even in Madras and is the price proposed initially for Cocanada, Bezwada and Hindupur, the consumers should not object. It might, however, be advisable to call a meeting of the consumers and take their opinion as to whether they will pay annas eight till the price can be reduced to annas six or whether they prefer the scheme to be abandoned.

At present, there are, it is reported, about 300 consumers who are given [illegible] only a few hours daily. The monthly sales amount to about 4,000 units. From figures available for existing schemes working continuously the average consumption per consumer per month is not less than 15 units and hence we may expect the present sales at Bellary to be increased by 50% -- i.e. to 6000-- on the introduction of continuous running. On a population basis the sales should be not less than 4000 units per month, which

figure would, I consider, be exceeded almost immediately under sound management. In the following statement of the probable financial aspect, however, I have taken the average--i.e. 7000 units per month. The purchase price has been assumed to be Rs.1,50,000 and Rs.50,000 has been allowed for conversion of oil lamps to electricity and for bringing the scheme up to standard.

Estimated Expenditure.		Estimated Revenue.		
Capital Expenditure Rs.2 lakhs.			at As. 8	at As.6.
Interest at 5½%	11,000	84,000 units	42,000	31,500
Depreciation at	6,000	Hire of 300 meters.	1,800	1,800
Fuel & Station stores	5,000			
Repairs at 2%	4,000			
Establishment	10,500			
	36,500			
Profit or loss				

Add savings on Street lighting.

The Cl spends on an annual only Rs 5,700 ~~only~~ on Steel lighting
In para 2 the net saving to the Cl by the conversion of oil to electricity shewn then to be taken as only Rs 3200.
2. The working profit in para 4 also requires alteration on this account. and on account of the fact that the current rate of interest on fort loans is 5-3/4 p.c. It will be seen that ~~even~~ ~~in the example~~ if the connl charges ~~only~~ Rs 6 per unit, the profit will be ~~only~~ Rs 2000 and the Cl cannot hope to repay the loan of Rs 2 lakhs and get the plant made its own.
3. If it charges Rs 8 per unit, it can get profit of Rs 12500 per annum. The annuity for a loan of Rs 2 lakhs repayable in 20 years is Rs 17,065. If instead of paying an -- interest of Rs 11500 as shown in the statt the Cl substitutes a payment of Rs 17065 towards payment of principal and

the Cl can own the plant after no years and get an annual profit of Rs. 6915 from the first year of the introduction of the Scheme.

4. If the Council charges only Rs 7 ~~Rs is necessary to charge Rs 8 from the beginning~~ per unit, the Council will get a net profit of Rs 1665 after providing for an annuity of Rs 17085 for the loan of Rs 2 lakhs.

+7250
5585
1665

(add for annuity for annuity

5. In view of the fact that in the first three years the Council will be paying Sinking fund interest on dead capital and the scheme becomes paying only after the third year, it seems desirable that the Cl charges Rs 8 per unit ~~from the beginning~~,

8 1/2
21/12

Either interest and depreciation need be allowed or repayment and interest on loan. In this view even if the Council charges only 8 annas per unit it will make a profit ~~but~~ It is however better & safer to charge annas eight a unit the

(Sent 1/c Cox 21/12

charge adopted where a larger quantity is consumed so as to make it possible to provide for further expansion or improvement of the scheme.

Yours
22/x/11

~~But if we are asked if the Co~~ what necessity is there to buy the Lake for the plant? If the present Co. goes bankrupt why should the C! pay it for much less?

~~They~~ They may be allowed to buy at the best price they can.

But the whole project seems to depend on their getting a loan of the purchase price + 50000/-. There doesn't seem to be any chance of getting this from the Govt. in the near future. Possibly they could get it from a D^n B^k.

If the question of a loan can be solved there is every reason for the C!. to take over the installation provided they can sell the current at 8as. The margin for prices below 8as is too low for safety. The financial st^n at 8as can be put to the C!. ~~to enquire whether a loan can be arranged~~ & they can be asked if they can raise a loan to buy for the plant & ½ lake ~~charge please~~ & send them

CS

A draft and memo is subd below
for approval. If may be sent
to P.W.D for acceptance

P. W. D. (H.O.)

L.S.G. H.O. 37883-1 Vol

4.1.26

98B
5 JAN 1926
PUBLIC WORKS

No objection to the reference but
just to it would be as well to ask
Mr. Chambers first whether he has
any later information about the
winding up.

JH
5.1.26

Total Expenditure £
DD (draft)
R.D Wood

My latest information is that the Managing
Director has most unexpectedly paid the
amount of the order into Court & that
he has further secured sufficient capital
to meet the demands of several Directors
for the return of their subscribed capital.
There are, apparently, wheels within
wheels in this case & it is not known
how the matter will end.

PW-D H.O. 7140 B/25-1

5.1.26

SECRETARY TO GOVT. LOCAL SELF GOVT DEPARTMENT
12 JAN 1926

12 JAN 1926
388 B/26
PUBLIC WORKS DEPARTMENT

My information is entirely unofficial
but, as it is certain that the Co. will not
be wound up immediately, action under
s. 4 of the D.E.A. 1910 cannot be taken at
this juncture.

I thought I would call up
the Solicitors Going to
Letter - they may
in the mean
time write for 2 months.

JH
12.1.26.

L. Stokes
7/1/26.

Leg.

Going to Govt. P.W.D.

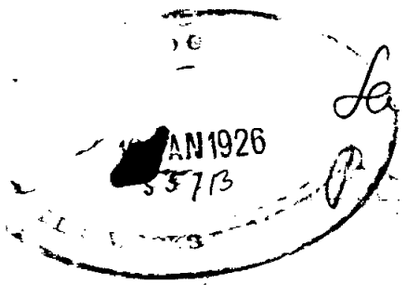
DD/

PW D H.O. 7140 B/25-2

This may be returned to Pr. Sec. after perusal. No action is necessary here at present

12/1/26

12.1.26



S.G 2.0988-1 2441
12.1.26.

Dr/1671

For secy

Please see the notices of the newspaper cutting put up. A petition for the winding up has been presented & the petition posted for hearing on March 1926.

16.2.26.

16.2.26.

Cr. 3580 B. From the Tel. Supdt to Asst No 6 as of 18.

Secy

Submitted

2 The draft memo to the C.M.C Bell already put up in the file by the S.S Dept may (it seems) now be issued, paragraph 1 in Last but one para in the memo being suitably modified. The file may

~~may for A. be sent to the L.S.~~
~~dept: no for the purpose: and then to The Law Dept~~
~~dept for advice with reference to~~
~~the Ed Inspectors note at p~~

~~3/10 Adv~~
~~15/3~~

We may perhaps ask the Inst
ician to obtain & send a copy of
mt's order referred to. A draft le
ressage is submitted for approval.

The file may then be sent to Lib
a) to issue the memo to the Municip
uncil initially modified & to
mediately return the file.

On receipt of the Comts' order
order is for the winding up of the
mpany, action may be taken
ut to revoke the license under
ection 4 (1) (d) of the Electricity Act
hat is, a notice of revocation will
ave to be served upon the Licensee
upon the Bletchley Municipal Coun
ing a date from which the revocat
ll take effect. (Section 5 (a) of the
ct). It will then be for the Counci
take action under section 5 (b) of
ct to purchase the undertaking if it
ecides to work the license itself.

the Govt Solicitor or the Advocate General may perhaps be consulted as to the action to be taken. If B contract is correct, the Govt Solicitor may move the High Court urgently stating that Govt propose to take action under section 170(1) @ s 179 of the Act. & that instructions be issued to the official liquidator to keep the concern working.

LLL
20.3.26

~~1140B/25-7~~
~~20/3/26~~

Secy

A draft memo & the form of Petition is put up; which be approved for issue and the file sent to the L & J dept with reference to M on p 10 ante.

Issue. Secy to work-in-charge by copy of order in case & the order with the seal of Court

20/3/26

Rly
20-3-26

LLL
20/3/26

20/3

PW Dno 7140B/25-
20/3/26

LSG (HH)

May the draft memo at (T), as slightly revised, ..?

May issue

22.3.26

8696

30/3/26

Issued as memo 8696-K
LLL dated 24-3-26.

The file may now be returned to P. W. D G. O with reference to the no at M on page 10 ante.

25/3 Cir. 25/3

25/3

Leg. 26/3 no. 896-1 26.3.26

29/3

Cno. 39423. Sum the first Schedule no. 64. 29/3

3955 B
29 MAR 1926
BIBLIOTHEQUE INTIEME

Dr v Ms 29/3

Please see the Govt Solicitor's opinion at p 15 cf. He says that as the Company has already been ordered by the Court to be wound up the Govt cannot take action under Section 4-(1)(d) and 5 of the Indian Electricity and that action now to be taken is for an offer to be made immediately to the Liquidator for the purchase of the undertaking. The offer will have to be made by the Bellary Municipal Council if they are prepared to purchase the undertaking. The memo to the Council at pp 10-12 cf was despatched on 24.3.26 and the Council has been allowed time till 30.4.1926 to send their

It may take some time before the council comes to a decision & Belling Municipal Council ~~Record~~ the winding up petition shows the liquidator to take action as suggested in para 3 of the Govt. Solicitor's letter. The file may, it seems, be sent to the Lic. Q. Dept to issue instructions. the Council.

9/3/26 Alls 29/3

I must confess that I don't understand the Corp. solicitor's position: The fact that the Co. has been ordered to be wound up cannot, I think, preclude Corp. from revoking the licence under 4 11 d. of the Electricity Act. On the contrary I should say, that it makes it all the more incumbent on the Corp. to revoke the licence. — I should say then for that matter the notice required by section 3 (2) of the Act fixing say 1st July as the date from which the revocation shall have effect.

30. 3. 26. C, I agree with the Corp's view. However the papers may be sent. C.O & the adv. Genl for his advice

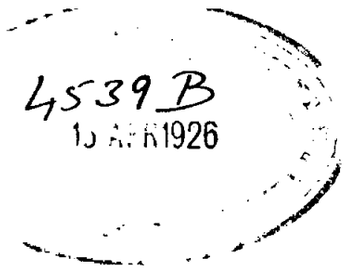
COR 30/3/26

To the Gov. Gen. no. 31. 3. 26.

Pw Dno 7140 B/25-9

I agree that notice may be served terminating the license as from a specified date under section 4 1, d, and section 5 (a,. The proceedings in the winding up, far from constituting a bar to action under the provisions referred to, justify and support the action.

The municipal council or any other person or the government may buy the undertaking under the provisions of the Indian Electricity Act section 5 b, or c, or d, and steps may be taken for the purpose.



Advocate General
12th April 1926.

Secy

Submitted

2 A draft ~~letter serving notice of revocation~~ order revoking the license + serving notice of revocation on the licensee on the business + a draft ~~letter~~ forwarding and upon ~~copy of the letter to~~ the Chairman, M. C., Belling with reference to Section 5(of the act ~~is~~ put up.

3 Please see the letter + from the Municipal Council, Belling now asked to file at folios 14 - 16 C+. The council are willing to purchase the undertaking + it will have to take action as laid down in section 5 (6) of the act. With a view

Keep the concern working until the
purchase is effected ~~the decree first~~
the Municipal Council ~~Board~~ will apparently have to address the
Liquidator as suggested by the Govt Solicitor
in paragraph 2 of his letter abp. 13 cf.
After same is done draft ~~order~~
~~draft~~ (mentioned in para 2) ~~for~~ file may be sent
to the L.S.G. dept. no. for issuing
instructions to the Municipal Council

15/4/26. AM 19.4.26

(1) Draft
(2) L.S.G. (no

C, CSR Civ: no
20/4/26 Asst:

Draft as C(2)
date
Due for order
20/4
P. Works 7140-1
24

L.S.G. (Adm) Dept

The necessary action is
being taken separately (Vide
linked file) - The file may be
returned to P.W.D.
PWD.

CN°. 121

SECRETARY TO GOVT
4978B
28 APR 1926
PUBLIC WORKS DEPARTMENT

22.4.

26/4

P.W.D. no

L.S. no 12165

read 26

P.W.D

27/4

In duty
This file may now be closed.

AM
30/4

1.5.26

CC
19/

Cas 4005 B. From the Govt Solicitor No 61

97 —

Bellary Electric Supply Coy
High Courts' order

In Secy

order revoking our Bellary Elec
licence was issued on 21/4 + the
file on the subject was sent to the
L.S.G. deptt (LO) to issue the
necessary instructions to the Munic
Council.

The High Courts' order for winding
up the Bellary Electric Supply Coy
— now recd from the Govt Solicitor
may be sent to L.S.G (LO) in
continuation. It will be seen from
paragraph 3(a) of the order that
the liquidator is empowered to carry
on the business of the Coy. so far
as it may be necessary for ~~its~~
the beneficial winding up of the Co

Ills
21.4.26

26 4.26.

Asst.

Please see P.W.D note on page.

I am to. Necessary instructions have already been issued to the mt el asking it to address the Official Liquidator for obtaining the consent of the Court to the purchase of the undertaking ~~After the issue of the necessary instructions~~ by the municipality.

Vide o.n. 10901-12 on b/o 27.4.26

The main file ~~has~~ was returned to P.W.D vide this dept u.o 12165-A - I dated 26.4.26. With these remarks file closed in form 43 4W

This file ~~also~~ may be returned to that dept.

L.S.G. 10 - 12591-PC/26 1-5-26

29/4 Cox. 30/4

P.W.D

30/4

5157 B 3 MAY 1926 S DEPARTMENT

~~Dept~~ AS.

These papers will be shown in form no 434W of 21.4.26.

30/5/26 31/5

Yes

M/31/5

with compliments

LSG

31/5

Sectt. II-5 (b)—6,004—25-11-25. (6)

Public Works DEPARTMENT.

	Date.	Initials.
When received for Fair-copying		
When copied		
When examined		
When signed		
When despatched		

Electricity - Bellary Electric License, 1921 - Notice of revocation.

READ AGAIN G.O. No. ....., dated 192

" " ..... " 192

READ ALSO:—

C. No. ..... From the .... No. ..... dated ..... 192 .

" " ..... " " .... " " ..... 192 .

..... " " ..... " " 192

ORDER.

No. 434 W, dated 21—4— 1926.

Misc.

As the Bellary Electric Supply Company Ltd., the licensees under the Bellary Electric License 1921, are unable by reason of their insolvency to discharge the duties and obligations imposed upon them by their license the Govt. have decided ~~to revoke~~ under section 4(1)(d) of the Indian Electricity Works Act, 1910, the license granted to ~~their~~ the company. With reference to the provisions of section 5(a) of

he Act, notice of revocation is hereby

erved upon the licensees and upon

he Municipal Council, Bellary, and the

evocation will take effect from the

~~1st~~ #

~~4th~~ July 1926.

(B.O.G.C)

19.4.26

Secry.

Do. be sent Registered for acknowledgment

To the Bellary Electric Supply Coy. Ltd., Bellary

To the Chairman, Municipal Council, Bellary

To the Electric Inspector to Government

To the Superintendent Government Press for publication ~~of Notification~~ in the Gazette

Despatched 24/4/26

Acknowledgment.

(To be returned to office of posting for delivery to sender.)

EIVED a registered* Cover No.

ed to (*name*) Chairman, Municipal Council, Bellary

Insured for Rs.

Weighing (*in words*)

ignature of addressee Varadarajulu Naidu

ate of delivery 24/4/1926.

* Here be struck through the words "packet," or "article," as the case may be, preceded by the word "registered" where necessary.

† To be filled up only in the case of insured articles, and to be scored out in the case of other articles.

Waverley Press—Printers—Cal.—1048—21-10-24—82,00,000.

On Postal Service.

Lieut to Capt Pwd
Stmchouse hill Gosport

Acknowledgment.

(To be returned to office of posting for delivery to sender.)

RECEIVED a registered* Cover No.

addressed to (*name*) Bellary Electric supply Co Ltd

Bellary Bellary

† Insured for Rs.

† Weighing (*in words*) tolas rati

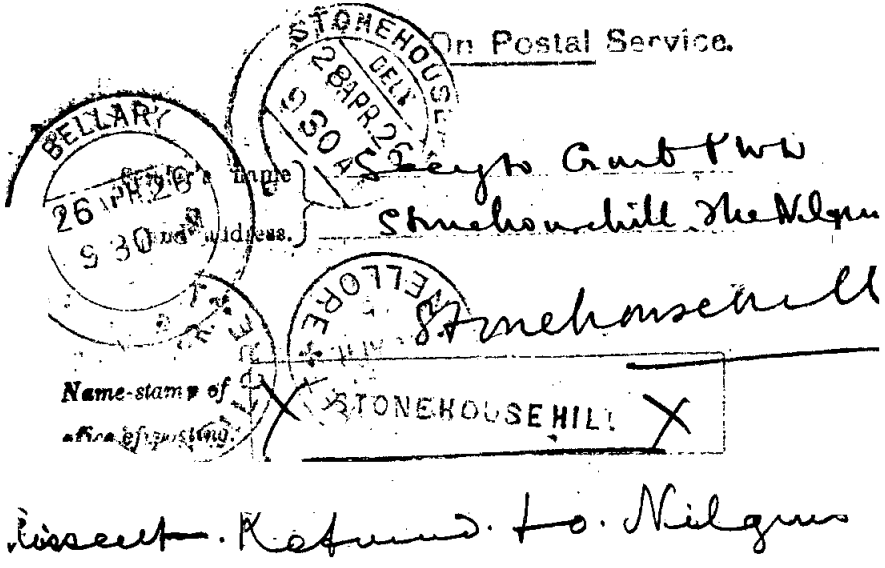
Signature of addressee Narasimhachari. Asst. to Official Liquidator

Date of Aug 24 1924.

* Words "registered," "packet," or "parcel," as the case may be, preceded by the word "insured" to be struck out in the case of "insured" articles, and to be struck out in the case of other articles.

† To be filled in only in the case of "insured" articles, and to be struck out in the case of other articles.

Madras Book Depot.—Printing.—Cal.—1045.—1-10-24—22,00,000.


On Postal Service.
STONEHOUSE HILL
28 APR 26
9 30 AM
BELLARY
26 APR 26
9 30
Name-stamp of office of posting.
STONEHOUSE HILL